

**Oxfordshire Schools Forum
7 November 2018
National Funding Formula 2019-20
Schools and High Needs – outcome of local Consultation and way forward**

Settings		Sector		Voting Entitlement (for decision papers only)	
Academies	✓	Foundation Stage	✓	PVI Representative	✓
Maintained Schools	✓	Primary	✓	16-19 Representative	✓
PVI Nurseries	✓	Secondary	✓	COTO Representative	✓
Special Schools	✓	Special	✓	Maintained Primary School Representatives	✓
Local Authority	✓	16+		Academy Primary School Representatives	✓
Schools Forum	✓	High Needs	✓	Maintained Secondary School Representatives	✓
				Academy Secondary School Representatives	✓
				Pupil Referral Unit Representative	✓
				Special School Representatives	✓
				Nursery Representative	✓

1. Item for Information and Decision

2. Purpose of Report

- 2.1 To request Schools Forum to support the continuation of the implementation of the National Funding Formula.
- 2.2 To request Schools Forum to agree to the transfer from the Schools Block to the High Needs Block and the value of this.
- 2.3 This report will be updated at the meeting with a summary of schools' responses to the County Council consultation on the Oxfordshire Schools Funding Formula for 2019-20 and including the outcome of the specific questions on the transfer between blocks. Schools have until midnight on Monday 5th November to respond.

3. Oxfordshire Funding Formula: Consultation

- 3.1 Schools Forum is a statutory consultee for formula changes. At the last meeting, a briefing was given on the implications of the second year National Funding Formula.
- 3.2 The Oxfordshire Funding Formula consultation was released on Monday October 15th and runs until Monday 5th November.
- 3.3 The consultation document, which includes the questions is included at Annex A. In summary, the consultation questions are in 2 parts:
- a) Formal consultation to confirm the Funding Formula for 2019-20. Oxfordshire had previously consulted and received agreement to a 2 year implementation of a formula as closely aligned to the National Funding Formula as possible.

- b) Consultation on the transfer of 0.5% of the School Block funding to support the High Needs block.

3.4 Schools Forum is asked to consider its response to the consultation.

Responses from the consultation with schools will be tabled on the day as Annex B.

4. Funding Formula 2019-20

4.1 The unit values of the National Funding formula (NFF) are attached at Annex 1 of the consultation document. for ease of reference. Schools Forum is asked to note that the Unit Values will be reviewed and updated once Dedicated Schools Grant (DSG) allocations are confirmed for 2019-20 and revised datasets are issued by the DfE for all Schools in December 2018. The funding pro forma to be submitted to the DfE by 21 January 2019 will include the revised allocations.

4.2 In setting the funding formula for 2019-20, there is a risk that full implementation of the National Funding Formula is restrained by affordability. The key risks are the allocation in the national formula for pupil growth of new schools and premises, as rates are funded at actual levels. If there is a shortfall in overall funding, the Local Authority will adjust the formula to accommodate any shortfall.

5. Consultation: Transfer to other Blocks

5.1 Dedicated School Grant (DSG) to Local Authorities is allocated in blocks. There are blocks of funding for Early Years, Schools, High Needs and Central School Services. The blocks are ringfenced for 2019-20 (meaning funding can only be spent on the services/provisions covered by the blocks).

However, the DfE guidance allows for some transfer between blocks as stated below:

- The Schools Block will be ring-fenced in 2019 to 2020, but local authorities will retain limited flexibility to transfer up to 0.5% of their Schools Block funding into another block, with the approval of their schools forum.
- To make such a transfer, local authorities should consult with all local maintained schools and academies and the schools forum should take into account the views of the schools responding before giving their approval.

5.2 Within the Operational Guidance, the DfE lists the expected evidence that will be presented to Schools Forum to enable a decision on transfer to take place. This year the focus of the guidance is on actions taken by mainstream schools that may be contributing to the pressure. The required evidence is listed and explained below:

- a) Details of any previous movements between blocks

Other than the transfer from Schools block of the formulaic secondary school Special Educational Needs funding at the start of 2017-18 following DfE re-alignment of DSG blocks, there have been no transfers between schools and high needs.

- b) Full breakdown of the specific pressures that have lead to a requirement for a transfer...important that any changes in the provision for mainstream school pupils with high needs are highlighted.

The consultation shows the increase in the numbers of High Needs Learners being supported, an increase of 22% since 2014-15. There has been an increase in numbers across all settings including mainstream schools. The increase in the use of independent school places is the main reason for increased spend. This is because local special schools are full. The increased needs of the learner alongside increased parental expectations means that there is escalation to higher cost provision.

- c) Strategic financial plan setting out how the local authority plans to bring high needs expenditure to levels that can be sustained within anticipated high needs funding level.

The High Needs plan that was discussed with School Forum in October explained how Oxfordshire was seeking to support high need learners closer to home by investing in local special schools and resource bases. This will be part of the sufficiency strategy that Oxfordshire County Council (OCC) will take to Cabinet later this year seeking the required capital investment. Alongside this the Council will move to a revised funding band to provide appropriate support to pupils within settings as initially presented to the June Schools & High Needs Sub-committee.

The most immediate way of reducing expenditure would be to reduce the top-up funding given to Schools. Whilst some Local Authorities have implemented such a policy, it is seen as counter intuitive to inclusion and is not currently being considered in Oxfordshire.

The impact of increasing Special School and Resource Base places has been modelled and could bring the High Needs expenditure close to the available budget within the medium term, if demand stabilises in line with the rate of population growth. The growth in High Needs Learners will need to be kept under close review.

As High Needs is funded from a DSG ringfenced grant, any overspends will initially be covered by looking to utilise underspends in other blocks. After that, the Council needs to consider the use of its general Council funds (including that raised by Council tax), to fund

the overspend. This will be a political decision and made as part of the annual Council budget setting in February.

- d) Collaborative and partnership, contributions from health and social care

In expanding the available places for resource bases and special schools, the sector has worked closely together. Contributions from Health & Social Care are agreed at panel meetings when specialist provision is agreed.

- e) How any additional high needs funding would be targetted to..... support the inclusion of children with SEN in mainstream schools

Additional funding in 2019-20 would be used to support the transition towards revised top-up banding rates across settings. This would support additional help for children earlier both at SEN support level and for those children with an EHC plan.

- f) The impact on School budgets is set out in the consultation
- g) The outcome of the consultation with schools will be presented at this meeting

5.3 In the event of a decision to support the transfer, it is proposed that the required changes to balance the funding model will be made through the MFG.

5.4 In the event of a decision NOT to support the transfer, it is likely that the Council will appeal to the Secretary of State.

6. Equal Opportunities Implications and Impact on Equality Groups

6.1 Where the LA continues to have discretion in the funding decisions made, it will continue to give priority to the needs of vulnerable pupils and the Council's aims of raising attainment, narrowing the attainment gap and safeguarding children.

7. Future Review by Forum: On-going

8. Contact Details of Lead Officer/Author

If you have any queries or comments in advance of the Schools Forum meeting about this report, please contact:

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